

SENATE BILL No. 91

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-39.

Synopsis: Sales tax holiday for clothing purchases. Provides a sales tax exemption for an article of clothing that is: (1) priced less than \$100; and (2) purchased during the seven day period beginning on the first Friday in August and ending on the following Thursday.

Effective: July 1, 2002.

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December 7, 2001, read first time and referred to Committee on Finance.

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PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 91

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]: **Sec. 39. (a) As used in this section, "article of clothing"**
4 **means a garment intended to be worn on the human body,**
5 **including footwear. The term does not include the following:**

6 **(1) Special clothing or footwear that is:**

7 **(A) primarily designed for athletic activity or protective**
8 **use; and**

9 **(B) not normally worn except when used for the athletic**
10 **activity or protective use for which it is designed.**

11 **(2) An accessory, including the following:**

12 **(A) Jewelry.**

13 **(B) A handbag.**

14 **(C) Luggage.**

15 **(D) An umbrella.**

16 **(E) A wallet.**

17 **(F) A watch.**



- 1 **(G) A similar item carried on or about the human body,**
2 **whether or not it is worn on the body in a manner**
3 **characteristic of clothing.**
4 **(3) The rental of clothing or footwear.**
5 **(b) The sale of an article of clothing is exempt from the state**
6 **gross retail tax if:**
7 **(1) the article of clothing is priced less than one hundred**
8 **dollars (\$100); and**
9 **(2) the sale occurs during the seven (7) day period beginning**
10 **12:01 a.m. on the first Friday in August and ending 11:59 p.m.**
11 **on the following Thursday.**
12 **(c) The department may adopt rules under IC 4-22-2 to**
13 **implement this section.**

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